

Annual Statement
TO THE
STOCKHOLDERS
OF THE
W. T. Grant Company
For the Fiscal Year Ended January 31, 1927

March 10, 1927.

To Our Stockholders:

The statement of the company as of January 31, 1927, the end of our fiscal year, is presented herewith, together with a chart showing the growth in sales and profits.

The year 1926 was the most prosperous in our history. Sales were \$36,074,617, and profits, after depreciation and taxes, were \$2,126,731.

During the year stores were opened in New Haven, Conn.; Manchester, N. H.; Marlboro, Mass.; Portsmouth, O.; Quincy, Ill.; Gary, Ind.; Kingston, N. Y.; Clinton, Ia.; Lawrence, Mass.; Rochester, N. Y., Fitchburg, Mass.; Gardner, Mass.; Freeport, L. I.; North Adams, Mass.; Salem, Mass.; Fond-du-Lac, Wisc.; Shreveport, La.; Weymouth, Mass. This is the largest number of stores opened in any year. In addition the stores in Richmond, Va. and Holyoke, Mass. were remodeled and enlarged.

These new stores show indications of maintaining our usual standards of service and earning capacity.

We take this opportunity of reminding you once more that the outstanding 8% cumulative preferred stock has been called for redemption at \$110. per share on April 1, 1927, and that the opportunity of our preferred stockholders of record on February 15, 1927, to exchange each of their preferred shares for two and one-half shares of the common stock of the W. T. Grant Company, which has been organized in Delaware for the purpose among other things of acquiring the common stock of the Massachusetts company, in accordance with our circular letters of February 18, 1927, will expire on March 21, 1927.

The net earnings of \$2,126,731 were the equivalent of \$4.19 per share on each of the 507,200 shares of the Delaware company presently to be outstanding. It is anticipated that the new common shares will pay dividends at the rate of \$1.00 per share per annum commencing July 1, 1927.

While this dividend rate does not give a high immediate return, experience has shown that the reinvestment of the greater part of earnings in the opening of new stores has accrued to the ultimate advantage of our shareholders.

During 1927 we plan to open a greater number of new stores than in any previous year.

Very truly yours,

W. T. GRANT,

Chairman of the Board of Directors.

Chain of One Hundred and
Nine Department Stores

January 31, 1927.

<i>Assets</i>			
Cash		\$2,013,502.33	
Accounts Receivable—Trade Creditors Debit Balances, Rentals, Etc.		50,169.46	
Merchandise Inventories—Present Market Value		3,495,060.35	
Cash Surrender Value—Life Insurance Policies		41,316.51	\$5,600,048.65
Notes and Accounts Receivable—Employees and Sundry			25,248.99
Subsidiary Company—W. T. Grant Realty Corporation: 1,000 Shares Common Stock—No Par Value		1.00	
Current Account		2,813.13	2,814.13
Sinking Fund for Redemption of Preferred Stock			2,860.00
Furniture and Fixtures		1,889,760.97	
LESS: Allowance for Depreciation		725,098.74	1,164,662.23
Alterations and Improvements to Leased Stores (This is being written off over the period of the leases)		2,683,822.64	
Unexpired Insurance Premiums, Supplies, Prepaid Expenses, Rent, Taxes, Etc.		189,672.25	2,873,494.89
			<u>\$9,669,128.89</u>
<i>Liabilities</i>			
Accounts Payable		\$ 127,174.99	
Accrued Accounts—Including 1926 Federal Income Tax		784,605.75	
Dividend—Payable February 1, 1927		75,000.00	\$ 986,780.74
Reserve for Re-painting Stores			30,405.31
Capital Stock:			
Preferred 8% Cumulative	\$2,289,900.00		
Common—No Par Value—50,000 Shares	1,500,000.00	3,789,900.00	
Surplus		4,862,042.84	8,651,942.84
			<u>\$9,669,128.89</u>

WE HEREBY CERTIFY that we examined the books of account and record pertaining to the assets and liabilities of the W. T. GRANT COMPANY—NEW YORK CITY, as at January 31, 1927, and based on our examination and information submitted to us, it is our opinion that the above Condensed Statement shows the financial condition of the Company at the date stated. No contingent liabilities were reported to us and as far as we could ascertain none existed.

March 10, 1927.

(Signed) ERNST & ERNST.

Fiscal Year	SALES AND PROFITS
1920	\$10,192,534 *\$274,828
1921	\$12,728,412 *\$296,270
1922	\$15,382,631 *\$611,154
1923	\$20,625,388 *\$1,360,837
1924	\$25,316,334 *\$1,399,872
1925	\$30,411,400 *\$1,825,274
1926	\$36,074,617 *\$2,126,731

*Profits after Depreciation, Bonuses, and Taxes.

Location of W. T. Grant Company Stores

On January 31, 1927, the W. T. Grant Company was operating stores in the following cities:

LYNN, MASS.
WATERBURY, CONN.
BRIDGEPORT, CONN.
LEWISTON, ME.
NEW BEDFORD, MASS.
FALL RIVER, MASS.
NEWARK, N. J.
PORTLAND, ME.
SCHENECTADY, N. Y.
HOLYOKE, MASS.
JOHNSTOWN, PA.
SYRACUSE, N. Y.
ALBANY, N. Y.
BINGHAMTON, N. Y.
KALAMAZOO, MICH.
SCRANTON, PA.
NORFOLK, VA.
LANCASTER, PA.
HAVERHILL, MASS.
DAYTON, OHIO
ERIE, PA.
YORK, PA.
FORT WAYNE, IND.
READING, PA.
PITTSBURGH, PA.
LOUISVILLE, KY.
ROCKFORD, ILL.
RICHMOND, VA.
PEORIA, ILL.
EVANSVILLE, IND.
ST. JOSEPH, MO.
HUNTINGTON, W. VA.
BROCKTON, MASS.
UNION CITY, N. J.
CHARLESTON, S. C.
MEMPHIS, TENN.
TAMPA, FLA.
LITTLE ROCK, ARK.
PITTSFIELD, MASS.
MACON, GA.
EAST ST. LOUIS, ILL.
RALEIGH, N. C.
MOBILE, ALA.
PROVIDENCE, R. I.
FORT WORTH, TEXAS
BUFFALO, N. Y.
DALLAS, TEXAS
SAN ANTONIO, TEXAS
LIMA, OHIO
WACO, TEXAS
MERIDEN, CONN.
TOLEDO, OHIO
BALTIMORE, MD.
HYDE PARK, MASS.

NEW ORLEANS, LA.
ROCKLAND, MASS.
NORWOOD, MASS.
NIAGARA FALLS, N. Y.
HAZLETON, PA.
GREENVILLE, S. C.
HOUSTON, TEXAS
OSHKOSH, WIS.
ALTOONA, PA.
DAVENPORT, IOWA
ST. PAUL, MINN.
ATLANTA, GA.
PHILADELPHIA, PA.
HARTFORD, CONN.
GREENSBORO, N. C.
CANTON, OHIO
EL PASO, TEXAS
NEW BRITAIN, CONN.
WORCESTER, MASS.
BEVERLY, MASS.
NEW HAVEN, CONN.
OKLAHOMA CITY, OKLA.
MANCHESTER, N. H.
NASHUA, N. H.
MARLBORO, MASS.
PORTSMOUTH, OHIO
QUINCY, ILL.
GARY, IND.
KINGSTON, N. Y.
CLINTON, IOWA
LAWRENCE, MASS.
ROCHESTER, N. Y.
FITCHBURG, MASS.
GARDNER, MASS.
FREEPORT, L. I.
NORTH ADAMS, MASS.
SALEM, MASS.
FOND DU LAC, WIS.
SHREVEPORT, LA.
WEYMOUTH, MASS.
THOMASTON, CONN.
WALLINGFORD, CONN.
MILFORD, CONN.
ROCKVILLE, CONN.
WINSTED, CONN.
NEW MILFORD, CONN.
SOUTHINGTON, CONN.
NAUGATUCK, CONN.
SOUTH MANCHESTER, CONN.
THOMPSONVILLE, CONN.
DANIELSON, CONN.
NORTH ATTLEBORO, MASS.
PALMER, MASS.
WARE, MASS.